

#### REMARKS

Claims 14 and 19 have been amended to include the limitations of claims 17 and 22, respectively. Claims 17 and 22 have been cancelled. Accordingly, claims 14-16, 18-21 and 23-27 are currently pending.

#### Declaration Under 37 C.F.R. §1.132:

In response to the rejections of claims under 35 U.S.C §103(a), Applicant submits herewith the Declaration of Axel Kaiser as evidence of commercial success of the invention claimed in the subject application.

#### Rejections Under 35 U.S.C. §§102(b) and 103(a):

Both independent claims 14 and 19 stand rejected under 35 U.S.C. §102(b) as being anticipated by Sommer. Claims 14-16 and 19-21 stand rejected under 35 U.S.C. §103(a) as obvious over Czech '238. Claims 14-16 and 19-21 stand rejected under 35 U.S.C. §103(a) as obvious over Czech '712. Claims 14-21 and 23 stand rejected under 35 U.S.C. §103(a) as obvious over Stamm (WO99/55527, corresponding to U.S. Patent 6,610,419). Claims 14-21 and 23 stand rejected under 35 U.S.C. §103(a) as obvious over Stamm (EP1306454 and corresponding to U.S. Patent Publication No. 2003/0207151).

In addition, claims 14-21 and 23 stand rejected under 35 U.S.C. 103(a) as being unpatentable over Czech '238 in view of Sommer. Claims 14-21 and 23 also stand rejected under 35 U.S.C. 103(a) as being unpatentable over Czech '712 in view of Sommer. Claims 14-21 and 23 also stand rejected under 35 U.S.C. §103(a) as being unpatentable over Stamm (WO99/55527) in view of Sommer. Finally, claims 14-21 and 23 stand rejected under 35 U.S.C. §103(a) as being unpatentable over Stamm (EP 1306454) in view of Sommer.

#### Response to Rejection of Claims 14 and 19 Under 35 U.S.C. §102(b):

As noted above, claims 14 and 19 have been amended to include the limitations of claims 17 and 22, respectively. More specifically, each has been amended to include a limitation, "...wherein the protective layer contains at most by volume of chromium-rhenium precipitates." Accordingly, each of the independent claims 14 and 19, as amended, now includes

a limitation that is not found in the cited Sommer patent. Applicant respectfully requests reconsideration of the rejection of claims 14 and 19 under 35 U.S.C. §102(b).

**Response to Rejection of Claims Under 35 U.S.C. §103(a):**

With respect to each of the rejections under 35 U.S.C. §103(a) in which the Examiner has cited the Czech Patents, Applicant directs the Examiner's attention to the Declaration of Axel Kaiser. Mr. Kaiser is in-house patent counsel for Siemens AG which is the assignee of the subject application. *Kaiser Dec.*, ¶3. Siemens AG is also the owner of the Czech Patents. *Id.* Mr. Kaiser's Declaration is submitted as evidence of commercial success for the Examiner to consider in determining patentability of the pending claims.

As set forth in Mr. Kaiser's Declaration, the composition of the protective layer, as disclosed in the Czech Patents, has been used by Siemens AG for a number of years. *Kaiser Dec.*, ¶7. The composition of the protective layer as claimed in the subject application has been used by Siemens AG since 2006, and as a result of its superior corrosion and oxidation resistant characteristics compared to the composition of the Czech Patents, is now replacing the composition of the Czech Patents. *Kaiser Dec.*, ¶7 and ¶8.

Mr. Kaiser's responsibilities include analyzing and monitoring remuneration to the inventors for patent inventions owned by Siemens. *Kaiser Dec.*, ¶4. Accordingly, Mr. Kaiser on a yearly basis must review financial data related to the use of patented inventions or inventions that may be the subject of patent applications. *Id.* During Siemens fiscal year of 2008/2009, Siemens sold 80 turbine machines and expects to sell 50 turbine machines for the fiscal year 2009/2010. *Kaiser Dec.*, ¶9. For those units sold from 2008 through the present, the Czech Patents composition has not been used on any blades or vanes in a compressor or turbine stage of a turbine machine. *Id.* Instead the compositions as claimed in the subject application have been used to replace a composition disclosed in the Czech Patents. *Kaiser Dec.*, ¶10.

In fact, in those units sold from 2008 through the present only 50% of such units include the compositions of the Czech Patents and these compositions are not used on turbines and blades or vanes, but are used on metallic heat sheet elements such as transition ducts between a turbine combustion chamber and a first turbine stage of the turbine machine. *Kaiser Dec.*, ¶10.

For the fiscal year of 2006/2007, Siemens spent more than three times the amount of money for replacement blades and vanes having the protective coating of the subject application

as compared to composition claimed in the Czech Patents. *Kaiser* Dec., ¶11. In the fiscal year 2009, Siemens spent twice as much on replacing blades or vanes using the composition that is claimed in the subject application as compared to that disclosed in the Czech patents. *Id.*

Since 2006, Siemens has also used the coating composition that is claimed in the subject application to service blades and vanes that previously contained or were coated with the composition of the Czech Patents. *Kaiser* Dec., ¶12. More specifically, the claimed composition of the subject application is essentially replacing the composition disclosed and claimed in the Czech Patents. *Id.* By way of example, since 2006, Siemens has spent approximately 40 times as much money on using the composition claimed in the subject application to service blades and vanes as compared to that disclosed and claimed in the Czech Patents. *Id.*

Siemens' strategy in using the composition of the subject application is a result of the superior corrosion and oxidative resistance demonstrated by such composition as compared to that in the Czech Patents. *Kaiser* Dec., ¶13. It is not a function of pricing or marketing, but what Mr. Kaiser considers the novel feature of the invention that includes the concentrations of rhenium and cobalt (which produce the surprising results disclosed in the subject application) that is the basis for this commercial success. *Id.* Thus, the owner of the subject application has essentially replaced the composition of the Czech Patents on all blades and vanes in new turbine machines; and, Siemens AG, is primarily using the claimed protective layer on the vast majority of new replacement blades and vanes, and in servicing used blades and vanes.

In view of the above-evidenced secondary consideration of the commercial and practical success of the claimed protective layer, Applicant respectfully submits that the claims as amended are now in a condition of allowance.

Conclusion:

For the foregoing reasons, it is respectfully submitted that the rejections set forth in the outstanding Office Action are inapplicable to the present claims. All correspondence should continue to be directed to our below-listed address. Accordingly, Applicant respectfully requests that the Examiner reconsider the rejections and timely pass the application to allowance. Please grant any extensions of time required to enter this paper. The commissioner is hereby authorized to charge any appropriate fees due in connection with this paper, including fees for additional claims and terminal disclaimer fee, or credit any overpayments to Deposit Account No. 19-2179.

Respectfully submitted,

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